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*Via CM/ECF*

The Honorable Kimba M. Wood  
United States District Judge  
Southern District of New York  
500 Pearl Street  
New York, NY 10007-1312

RE: *United States v. Kozel*, Case No. 19-cr-460-KMW

Dear Judge Wood:

We write on behalf of the Defendant Todd Kozel in response to the Government's Sentencing Memorandum to highlight several issues that will be developed more fully at Wednesday's 10:30 a.m. sentencing.

This is a misdemeanor failures to file case. We will dispute any theme that Mr. Kozel was concealing massive amounts of income from the United States Government. In fact, Mr. Kozel's compensation as CEO of Gulf Keystone Petroleum ("GKP"), a publicly traded company on the highly respected London Stock Exchange, was regularly and publicly reported throughout his tenure. Moreover, the tax attributes from three private companies were reported to the Internal Revenue Service when the entities filed their respective returns which contained the K-1 information for the partners. The information was also provided to the U.S. Attorney's Office in response to a grand jury subpoena.

Nor was there concealment concerning the transfer to the Gokana Trust of shares of GKP's stock. As required by the London Stock Exchange regulations, a public announcement was made of his transfer of these shares. Moreover, he filed (and paid) with the IRS a gift tax return on this transfer of stock for the year 2009, and a tax return was also submitted for the Gokana Trust for year 2010. While this is certainly a complex subject, it is a far cry from surreptitiously hiding this transfer.

The Honorable Kimba M. Wood

Page 2 of 2

January 25, 2022

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We will also discuss a more realistic picture of his true income during the relevant period. We recognize that income in the form of stock transfers was reportable, and he pleads guilty to failure to file. But this is different from suggesting he had piles of cash that he was hiding in exotic places. Mr. Kozel did indeed live and work overseas for many years. Moreover, although the facts will be more fully developed on Wednesday, it is worth noting now that as CEO of GPK, Mr. Kozel was severely limited from liquidating his stock for his own account due to (1) insider knowledge and insider trading restrictions and (2) the risk of significantly damaging an already volatile stock pricing with reports that a CEO might be dumping stock. With the 2014 invasion of ISIS into the Kurdistan region, GPK and its stock greatly decreased in value leading to a non-bankruptcy elimination of virtually all shareholders' equity.

We look forward to the Court's consideration. Mr. Kozel acknowledges his guilt even as we observe that he has serious health issues and has been financially, emotionally, professionally, and physically devastated by eleven years of horrific litigation with his ex-wife. He and his family have been managing to live through advances from his father, Frank Kozel. We are hopeful that he and his family will be able to move forward with their lives.

/s/Kendall B. Coffey

Kendall B. Coffey  
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cc: Louis Pellegrino, AUSA  
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